

## **Connecticut Residential and Small Commercial Disclosure Statement and Terms of Service**

This is an agreement for electric generation service between Spark Energy, L.P. (Spark Energy) and you, for the service address or addresses set forth in your Welcome Letter or Electric Service Agreement. Together, this Disclosure Statement, including the terms of service set forth herein, and your Welcome Letter or Electric Service Agreement collectively describe your agreement with respect to your purchase of electric generation service from Spark Energy (Agreement). You will be bound by all the provisions of the Agreement, as they may be amended from time to time. Spark Energy is licensed by the Connecticut Department of Public Utility Control to offer and supply electric generation services in Connecticut. We set the electric generation service prices that you pay. Your Electric Distribution Company will deliver the electric generation to you. The Department of Public Utility Control regulates distribution prices and services. The Federal Energy Regulatory Commission regulates transmission prices and services.

### **Definitions**

- Small Commercial Customer – A nonresidential customer that has a peak demand of less than 50 kilowatts during the most recent consecutive 12-month period.
- Electric Distribution Company (EDC) – The public utility providing facilities for the distribution of electricity to retail customers.
- Generation Charge – Charge for production of electricity.
- DPUC – the Connecticut Department of Public Utility Control.
- Transmission Charge – Charge for moving high voltage electricity from a generation facility to the distribution lines of an electric distribution company.

**Right of Rescission - You may rescind this Agreement at any time before midnight of the third business day after receiving this disclosure statement.**

### **Terms of Service**

#### **1. Basic Service Prices.**

Your rate plan will be as specified in your Welcome Letter or Electric Service Agreement.

*Fixed Rate Plan:* You will pay the fixed rate per kWh as specified in your Welcome Letter or Electric Service Agreement for the length of your Term. You may also pay a monthly administrative fee, the amount of which, if applicable, is disclosed in your Welcome Letter or Electric Service Agreement.

*Immediate Savings Plan:* For the first two months of your Term, you will receive a specified percentage savings off of the EDC's base commodity rate for electricity supply. For the remainder of your term, you will receive Spark Energy's standard variable rate which will vary according to market conditions. You may also pay a monthly administrative fee, the amount of which, if applicable, is disclosed in your Welcome Letter or Electric Service Agreement.

The rate you pay Spark Energy will include the Generation Charge and Transmission Charge. Your price does not include applicable Connecticut sales tax or any local tax. You are responsible for any and all taxes (whether passed through to you on EDC's bill as a separate line item or as part of the price of electricity, as required by law, rule or regulation) and EDC charges for delivery and distribution services. Except as otherwise provided in this Agreement or as required by law, all taxes of whatsoever kind, nature and description, due and payable with respect to your performance of your obligations under this Agreement, will be paid by you. If you are a tax-exempt entity, you must provide Spark Energy with the necessary certificates and other documentation to qualify for such status. Information on the EDC's Standard Service rate is available on their website.

**2. Billing.** Your EDC will continue to issue a monthly bill and the bill will include both your Transmission Charge and your Generation Charge, and any other charges incurred in accordance with this Agreement. Bills will continue to be based on actual or estimated meter readings. Spark Energy will use the same meter reading information from the EDC to derive your Generation Charges. Unless otherwise provided herein, your payment terms will be governed by the terms of the EDC's tariff. Spark Energy does not pay or arrange for the payment of any outstanding debts owed by you to the EDC or a previous electric supplier.

**3. Length of Agreement (Term).** The Term of this Agreement is as specified on your Welcome Letter or Electric Service Agreement. With the exception of a new meter installation or special meter reading date, you will buy your electric generation service for the service addresses set forth in your Welcome Letter or Electric Service Agreement from Spark Energy on the next regularly scheduled meter reading date available and will continue to do so for the entire Term. This Agreement shall remain in effect until you notify Spark Energy in writing or by phone of your intent to cancel at least 30 days prior to your requested end date and until such time as the EDC completes the termination in accordance with its rules.

#### **4. Penalties, Fees and Exceptions.**

There is no fee for early termination of this Agreement. You may cancel this Agreement if you move to another location and provide a forwarding address and, if required, reasonable evidence that you no longer occupy the service address. You will be responsible for amounts due, up to the switch date, of all outstanding charges incurred prior to cancellation by you. If you default in the prompt payment of amounts due under this Agreement, you will be liable for any and all fees or charges, including reasonable attorney fees and court costs, incurred in connection with the collection of delinquent balances. Spark Energy may use

the services of debt collection agencies, consumer reporting agencies, and other remedies as allowed by law to collect any unpaid balances on your account.

**5. Cancellation Provisions.** You may cancel this Agreement at any time by calling Spark Energy at 1-877-374-8013. If you request to cancel this Agreement, the cancellation will not take effect until the next actual meter read date following the date Spark Energy notifies your EDC. You will be responsible for all payments due hereunder until the cancellation of electric generation service is completed. If for any reason Spark Energy is no longer able to economically continue this Agreement, Spark Energy may terminate this Agreement at any time after complying with applicable regulations. This Agreement may be cancelled at the sole discretion of Spark Energy if you fail to meet any of the terms and conditions of this Agreement or if any of the information you have provided to Spark Energy is or becomes untrue. If this Agreement is canceled, expires, or otherwise terminated, you will receive uninterrupted service from the EDC until you designate another provider of electric generation service or service is shut off by the EDC. Only the EDC may shut off your electric power.

**6. Agreement Expiration/Change in Terms.** If you have a fixed term agreement with us and it is approaching the expiration date, or if we propose to change our terms of service, we will send you advance notice either in your bill or in a separate mailing between 30 and 60 days before either the expiration date or the effective date of the changes. We will explain your options in these advance notices. Spark Energy will provide written notice to you, free of charge, and a copy of any material change to this Agreement prior to the date any such change becomes effective. Upon receipt of written notice of a material change, you may terminate this Agreement prior to the date such change becomes effective. You must give us express consent to continue receiving service under the revised agreement.

Upon receipt of written notice of expiration, we will follow your instructions. If you do not respond to the notice, at our discretion, we may renew your electric generation service under the rates described in your expiration letter.

**7. Information Release and Authorization.** You designate Spark Energy as your authorized agent and hereby authorize Spark Energy to obtain credit history. Acceptance of this Agreement is an authorization for the release of the information. You also hereby authorize Spark Energy to arrange transmission and other services for the purpose of serving your account. This authorization will remain in effect during the Term and any renewal term of this Agreement. You may rescind your authorization at any time by providing written notice thereof to Spark Energy.

**8. Dispute Procedures.** Contact us with any questions concerning our terms of service. You may call the DPUC if you are not satisfied after discussing your terms with us.

**9. Warranties.** SPARK ENERGY MAKES NO REPRESENTATIONS OR WARRANTIES, EITHER EXPRESSED OR IMPLIED, WITH REGARD TO THE PROVISION OF ELECTRIC GENERATION SERVICE AND DISCLAIMS ANY AND ALL WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR ARISING OUT OF ANY COURSE OF DEALING OR USAGE OF TRADE.

**10. Limitation of Liability.** You will be deemed to be in exclusive control (and responsible for any damages or injury caused thereby) of the electric power after receipt at the delivery point or points. SPARK ENERGY WILL NOT BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, SPECIAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES (INCLUDING LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES), WHETHER BY STATUTE, IN CONTRACT OR TORT, EVEN IF THE RESULT OF NEGLIGENCE (WHETHER SOLE, JOINT, CONCURRENT, ACTIVE OR PASSIVE). ALL OTHER LIABILITY WILL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY, AND SUCH DIRECT ACTUAL DAMAGES WILL BE THE SOLE AND EXCLUSIVE REMEDY. YOU HEREBY WAIVE ALL OTHER REMEDIES AT LAW OR IN EQUITY. THERE ARE NO THIRD PARTY BENEFICIARIES TO THIS AGREEMENT. To the extent any damages required to be paid hereunder are liquidated, the parties acknowledge that the damages are not intended and shall not be construed as a penalty, such damages are difficult or impossible to determine, that otherwise obtaining an adequate remedy is inconvenient or impossible, and that the liquidated damages constitute a reasonable approximation of the harm or loss.

**11. Miscellaneous.**

(a) If Spark Energy is rendered unable to perform, in whole or in part, by a Force Majeure event, its performance under this Agreement will be excused for the duration of such event. "Force Majeure" means any act or event that is beyond the reasonable control of Spark Energy that adversely affects, interrupts, or precludes its performance. In addition, acts of other parties, including without limitation, RTOs, aggregators, other suppliers, qualified scheduling entities, EDCs, any governmental authority, and the respective employees and agents of such parties, will also be deemed to be events of Force Majeure.

(b) Your electric generation service will be provided in accordance with your existing connection requirements unless you request a change by the EDC and pay for the cost of that change. You may not resell or use any electric power provided under this Agreement as an auxiliary or supplement to any other source of power. The supply of electric power under this Agreement will be measured at the delivery point by the EDC providing the delivery service in accordance with the terms of the applicable tariff for electric generation service. Spark Energy and you will be bound by the measurement from the meters owned, installed, maintained and read by the EDC.

(c) This Agreement will be governed by, interpreted, construed and enforced in accordance with the laws of the State of Connecticut, without regard to principles of conflicts of laws.

(d) These Terms of Service, along with your Welcome Letter or Electric Service Agreement, constitute the entire agreement between you and Spark Energy relating to the subject matter hereof and supersede any other agreements, written or oral, between you and Spark Energy concerning the subject matter of the Agreement.

(e) You may not assign this Agreement or your obligations under this Agreement without Spark Energy's prior written consent. Spark Energy may assign this Agreement, together with all rights and obligations hereunder, to (i) Spark Energy's electricity supplier, or such supplier's designee, (ii) an affiliate of Spark Energy or to any other person succeeding to all or substantially all of Spark Energy's assets, or (iii) in connection with any financing or other financial arrangement.

(f) Any failure by Spark Energy to enforce any term or condition of your electric generation service or otherwise exercise any right it may have under this Agreement will not be deemed a waiver of any rights to thereafter enforce any or all of the terms or conditions of your service or to exercise rights under this Agreement.

(g) Should any provision of this Agreement for any reason be declared invalid or unenforceable by final and applicable order by a court or any regulatory body having jurisdiction, such decisions shall not affect the validity of the remaining portions, and the remaining portions shall remain in effect as if this Agreement had been agreed to without the invalid portion. If any provision of this Agreement is declared invalid, the remainder of this Agreement will be construed so as to give effect to its original intent and effect as near as possible.

(h) The provisions of this Agreement concerning payment, limitation of liability, and waivers will survive the termination or expiration of this Agreement.

**12. Contact Information.** Information regarding Spark Energy's generation energy sources, energy efficiency, environmental impacts, or historical billing data is available upon request.

Electric Supplier:

Spark Energy, L.P.  
PO Box 3015  
Houston, TX 77253  
1-877-374-8013  
www.sparkenergy.com  
Hours of Operation: Monday through Friday (except holidays), 9:00 a.m. to 6:00 p.m., Eastern Standard Time

Electric Distribution Company:

United Illuminating Company  
PO Box 1564  
New Haven, CT 06506-0901  
1-800-722-5584  
www.uinet.com

Department of Public Utility Control:

Ten Franklin Square  
New Britain, CT 06051  
1-860-827-1553  
<http://www.ct.gov/dpuc/site/default.asp>

Label date: 09/28/10      **Your Electric Generation Disclosure Label**      [see other side](#)  
**Spark Energy, L.P.**

*2105 CityWest Blvd., Suite 100, Houston, Texas 77042*  
*Customer Service: 1-877-374-8013      www.sparkenergy.com*

**What is this label about?**

It's about helping you compare the benefits of generation service offers of Spark Energy, L.P. to those of other competitive electric suppliers and to UI.

**To our customers:**

Electric generation service in Connecticut can be provided to you by licensed Suppliers or UI. This is a choice you can make. This Spark Energy disclosure label can be used to compare prices and other items (such as generation power sources and renewable sources) to those that other Suppliers or UI may offer you.

**Important considerations in making your comparisons and choice:**

- Ask the Supplier or UI if its offer is **all-inclusive** or **not all-inclusive**, so you can make the right comparison and choice. Suppliers and UI in Connecticut are required to disclose this information to you in their labels.
- An **all-inclusive** offer includes all charges and fees related to the generation portion of your electric bill included in the price of the Generation Service Charge (GSC). A **Not all-inclusive** offer **does not**; thus, there are other charges and/or fees that you would be assessed in addition to the GSC.
- Check any contract or agreement you are considering from a Supplier for specifics on price, such as whether pricing is fixed or variable, the term/ length of contract, and any other charges, enrollment fees, deposits or requirements for which you are responsible.

**Other questions you can ask a potential supplier:**

1. Is the Supplier licensed by the CT DPUC?
2. Ask the Supplier to estimate your electric generation costs relative to UI's and explain other possible benefits of switching your service. The average residential customer in CT uses 700 kWh per month. This would be a good comparison starting point. Some examples of the possible benefits are cost savings, budget certainty, risk management, product offerings and renewable energy.
3. How does the Supplier's all-inclusive price compare with the current UI GSC charge?
4. Will the Supplier's price change when the UI GSC price changes or is it fixed for the term of the contract/agreement?
5. If I switch to a Supplier, will my GSC charge still be on the UI bill or will I receive a separate bill from the supplier?
6. If a Supplier issues a separate bill to me, will there be a late payment fee and, if so, what is the annual percentage charge?
7. Does the Supplier offer a choice of energy sources, such as renewable energy?
8. What is the Supplier's contact information if I have questions? Contact information should include the Supplier's phone number, customer service hours, mailing address and contact name.

**The term of your service is 12 months.**

**Your generation price per kWh is all inclusive. All-inclusive means that price you were quoted in your contract of \$0.0955 per kWh includes all charges related to the generation portion of your electricity. See page 1, "Basic Service Prices" of your contact for more information.**

**Reminder: Your monthly electric bill also has a section for delivery service. This service is for the poles, wires, transformers and all of the other services to deliver electricity to your home or business.**

Label date: 09/28/10

**Your Electric Generation Disclosure Label  
from Spark Energy, L.P.**

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| Power Sources                           | New England Power Pool System Mix |
|---|-----------------------------------|
| Coal                                    | 12.82%                            |
| Natural Gas                             | 37.59%                            |
| Oil (Diesel, Jet, Oil)                  | 5.58%                             |
| Nuclear                                 | 30.46%                            |
| Connecticut Qualified Renewable Sources | 5.24%                             |
| Other, Misc.                            | 8.31%                             |
| <b>Total</b>                            | <b>100.00%</b>                    |

System Mix source: NEPOOL GIS Reports (Q1-2009 through Q-4-2009). CT Qualified Sources includes CT Class 1 & CT Class 2 only. Supplier Known Sources are part of the system mix, but renewable sources are disclosed separately in the Supplier Compliance chart for CT RPS below.

| CT Renewable Portfolio Standards<br>Spark Energy, L.P. Compliance |         |          |           |       |
|---|---------|----------|-----------|-------|
|   | Class I | Class II | Class III | Total |
| N/A 2008  | 5.0%    | 3.0%     | 2.0%      | 10.0% |
| N/A 2009  | 6.0%    | 3.0%     | 3.0%      | 12.0% |
| Required 2010   | 7.0%    | 3.0%     | 4.0%      | 14.0% |
| Required 2011   | 8.0%    | 3.0%     | 4.0%      | 15.0% |

**About Power Sources**

Your electricity is transmitted across the New England electric system, which receives electricity from power plants throughout the region to meet the requirements of all customers in New England. The **"New England Power Pool System Mix"** represents the percentage of power supply from each power source in the regional system. Suppliers are responsible for generating and/or purchasing electricity that is added to the electric system in an amount equal to your electricity use. To promote the development of renewable/clean sources, Connecticut, through legislation called the **Renewable Portfolio Standard (RPS)**, requires all Suppliers to acquire specific percentages of energy from renewable resources. CT RPS sources are defined as Class I, Class II and Class III. **Class I renewable** sources include solar power, fuel cells, methane gas from landfills, ocean thermal power, sustainable biomass, wave or tidal power, low emission advanced renewable energy conversion technologies, and certain run-of-river hydropower. **Class II renewable** sources include trash-to-energy, certain biomass facilities, and certain run-of-river hydropower facilities. Electricity generation from renewables has lower emissions and less of an impact on the environment than that produced from conventional fossil fuels. As an alternative to providing the RPS requirements a Supplier may pay an alternative compliance payment. **Class III** sources include CT commercial & industrial facilities using combined heat and power systems with at least 50% operating efficiency, a waste heat recovery system or electricity savings from energy efficiency measures.

**Air Emissions from Power Sources**

The air emissions listed below are produced when certain fuels are used to generate electricity.

**Carbon Dioxide (CO<sub>2</sub>)** is released when coal, oil, natural gas, trash, methane and biomass are burned. Carbon dioxide, a greenhouse gas, is thought to be a major contributor to global warming.

**Nitrogen Oxide (NO<sub>x</sub>)** is formed when fossil fuels, trash, methane and biomass are burned at high temperatures. They contribute to acid rain and ground-level ozone (or smog), and may contribute to respiratory illness. NO<sub>x</sub> also accelerates vegetative growth in lakes and coastal waters which may lead to oxygen deprivation which is destructive to fish and other aquatic life.

**Sulfur Dioxide (SO<sub>2</sub>)** is formed when fuels containing sulfur are burned, primarily coal, oil and trash. Health risks associated with SO<sub>2</sub> include asthma, respiratory illness and aggravation of existing cardiovascular disease. SO<sub>2</sub> combines with water and oxygen in the atmosphere to form acid rain, which raises the acid level of lakes and streams, is detrimental to crops and forests and accelerates the deterioration of buildings and monuments.

**Additional Information:**

This label provides information on the New England regional electric system power sources and the air emissions related to electricity generation. For additional information on Supplier prices, power sources and air emissions, visit the CT DPUC's **Electric Supplier Info Database**, [www.dpuc.state.ct.us/el\\_aggre.nsf](http://www.dpuc.state.ct.us/el_aggre.nsf).

In the case of an emergency or power outage, please contact your utility. All customers call: 1-800-7CALL III

**The Connecticut Department of Public Utility Control, Ten Franklin Square, New Britain, CT 06051**  
Toll-free 1-888-922-DPUC (3782) [www.ct.gov/dpuc](http://www.ct.gov/dpuc)

**Suppliers are required to post their Disclosure Label(s), and updated versions as they occur, to the Electric Supplier Info Database on the DPUC's website.**

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